

### **371.220 Requisites of retail installment contract.**

- (1) Each retail installment contract shall be in writing, dated, signed by the retail buyer, and completed as to all essential provisions, except as otherwise provided in KRS 371.250.
- (2) The printed or typed portion of the contract, other than instructions for completion, shall be in a size equal to at least eight (8) point type. The contract shall be designated "Retail Installment Contract" and shall contain substantially the following notice printed or typed in a size equal to at least ten (10) point bold type: "NOTICE TO THE BUYER. DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU SIGN."
- (3) The retail seller shall deliver to the retail buyer, or mail to him at his address shown on the retail installment contract, a copy of the contract as accepted by the seller. Until the seller does so, a buyer, who has not received delivery of the goods or been furnished or rendered the services, shall have the right to rescind his contract and to receive a refund of all payments made and return of all goods traded in to the seller on account of or in contemplation of the contract, or if such goods cannot be returned, the value thereof. Any acknowledgment by the buyer of delivery of a copy of the contract shall be in a size equal to at least ten (10) point bold type and, if contained in the contract, shall appear directly above the buyer's signature.
- (4) The retail installment contract shall contain the names of the seller and the buyer, the place of business of the seller, the residence or other address of the buyer as specified by the buyer and a description or identification of the goods sold or to be sold, or services furnished or rendered or to be furnished or rendered.
- (5) The retail installment contract shall contain the following items:
  - (a) The cash sale price of the goods or services;
  - (b) The amount of the buyer's down payment, identifying the amounts paid in money and allowed for goods traded in;
  - (c) The difference between items (a) and (b);
  - (d) The aggregate amount, if any, included for insurance, if a separate identified charge is made therefor, specifying the type or types of insurance and the term or terms of coverage;
  - (e) The aggregate amount of official fees;
  - (f) The principal balance, which is the sum of items (c), (d) and (e);
  - (g) The amount of the time price differential; and
  - (h) The amount of the time balance owed by the buyer to the seller, which is the sum of items (f) and (g) and, except as otherwise provided in the next two (2) sentences, the maximum number of installment payments required and the amount of each installment and the due date of each payment necessary to pay such balance. If installment payments other than the final payment are stated as a series of equal scheduled amounts and if the amount of the final installment payment does not substantially exceed the scheduled amount of

each preceding installment payment, the maximum number of payments and the amount and due date of each payment need not be separately stated and the amount of the scheduled final installment payment may be stated as the remaining unpaid balance. The due date of the first installment payment may be fixed by a day or date or may be fixed by reference to the date of the contract or to the time of delivery or installation.

The above items need not be stated in the sequence or order set forth; additional items may be included to explain the computations made in determining the amount to be paid by the buyer.

**History:** Created 1962 Ky. Acts ch. 136, sec. 2(1) to (5).